GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2692
ANSWERED ON:02.08.2016
Sugar Mills
Danve Shri Raosaheb Patil

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether a number of sugar mills in the country are running into losses and if so, the reasons therefor along with the corrective measures taken by the Government to strengthen sugar industry during last three years;
(b) whether the sugar industry has sought changes in the sugar policy to overcome these losses and clear cane arrears; and
(c) if so, the details thereof and the response of the Government thereto indicating the cane arrears pending as on date, State and sector-wise?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a) Due to surplus production during last four consecutive sugar seasons and depressed sugar prices, the financial health of the sugar mills have been adversely affected. The Government of India has taken several initiatives to help the sugar industry to resolve liquidity problems and thereby facilitate clearance of cane price arrears of farmers:-
(i) Enhanced import duty to 40% to discourage imports.
(ii) Working capital loan of about Rs.6100 Cr. under SEFASU has been extended to sugar mills. Interest subvention of about Rs.2750 Cr. on loan to Sugar sector being borne by the Government.
(iii) Provided incentive on Raw Sugar Export during 2013-14 and 2014-15 sugar seasons for evacuation of excess stocks of sugar in the country.
(iv) Extended Soft Loan of Rs.4305 Cr. to improve liquidity position of the sugar mill enabling them clearance of cane price arrears.
...2/-
...2...
(v) Facilitated supply of Ethanol under Ethanol Blending Program (EBP) by fixing remunerative price of ethanol and waiving off excise duty on supply of ethanol for sugar season 2015-16.
(vi) Providing performance based production subsidy @ Rs. 4.50 per quintal of cane crushed by sugar mills to offset cane cost.
(b) and (c) The apex body of sugar industry Indian Sugar Mills Association(ISMA) has requested the Government to adopt a rationalized cane price policy linking cane price to sugar price. The request of ISMA has been forwarded to State Government for their consideration / adoption.
` State and Sector-wise details of pending cane price arrears as on 26.07.2016 on Fair and Remunerative Price/ State Advised Price basis is at Annexure.
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Annexure
ANNEXURE REFERRED TO IN REPLY TO PARTS (b) & (c) OF THE UNSTARRED QUESTION NO. 2692 DUE FOR ANSWER ON 02.08.2016 IN THE LOK SABHA
STATEMENT SHOWING STATE WISE, SECTOR-WISE CANE PRICE ARREARS FOR SUGAR SEASON 2015-16 (AS ON 26.07.2016)
(RUPESS IN CRORES)
STATE
PUBLIC
COOPERATIVE
PRIVATE
TOTAL
PUNJAB
0
129.95
96.52
226.46
HARYANA
0
102.24
24.07
126.31
UP
0
0
3041.00
3041.00
UTTARAKHAND

32.70
90.82
87.70
211.22
MADHYA PRADESH
0
4.11
2.23
6.34
CHATTISGARH
0
1.01
0
1.01
GUJARAT
11.20
167.93
23.64
202.77
MAHARASHTRA
0
390.34
103.39
493.74
BIHAR
0.03
0
29.79
29.82
ANDHRA PRADESH
0
20.18
60.51
80.69
KARNATAKA
0
83.27
101.76
185.03
TAMILNADU
63.65
192.16
774.33
1030.14
ODISHA
0
19.41
0
19.41
WEST BENGAL
0
0
0
0
PUDUCHERRY
0
9.70
0
9.70
GOA
0
1.16
0
1.16
TELANGANA
0
0
30.35
30.35
ALL INDIA TOTAL
107.58

1212.28
4375.29
5695.15
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